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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/040,912

Applicant(s)

MALITZIS, JOHN F.

Examiner

Sara Chandler

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 January 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-14 and 17-19 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-14 and 17-19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's arguments and request for reconsideration of application 10/040,912 (01/07/2002) filed on 09/06/07.

Claim Interpretation

1. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111.

2. All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. See MPEP 2106 II C. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result (e.g., "for _____"), but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result (e.g., "for _____"), but does not result in a

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structural difference between the claimed invention and the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim.

Claim limitations that contain statement(s) such as "*if, may, might, can could*", as optional language. As matter of linguistic precision, optional claim elements do not narrow claim limitations, since they can always be omitted.

Claim limitations that contain statement(s) such as "*wherein, whereby*", that fail to further define the steps or acts to be performed in method claims or the discrete physical structure required of system claims.

USPTO personnel should begin claim analysis by identifying and evaluating each claim limitation. For processes, the claim limitations will define steps or acts to be performed. For products, the claim limitations will define discrete physical structures or materials. Product claims are claims that are directed to either machines, manufactures or compositions of matter. See MPEP § 2106 II C.

The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:

- (A) statements of intended use or field of use,
- (B) "adapted to" or "adapted for" clauses,
- (C) "wherein" clauses, or
- (D) "whereby" clauses.

See MPEP § 2106 II C.

3. Independent claims are examined together, since they are not patentable distinct. If applicant expressly states on the record that two or more independent and distinct

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inventions are claimed in a single application, the Examiner may require the applicant to elect an invention to which the claims will be restricted.

Claim Objections

Claims 1 and 19 are objected to because of the following informalities:

Re Claim 1 Should "receiving an order to buy order sell a product" be -- receiving a customer order to buy or sell a product --. This may overcome the antecedent basis problem with customer order in claim 2 as well.

Re Claims 1, 7 and 10: "the market participant identification associated the order" should be -- the market participant identification associated with the order --.

Claim 19 is objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. It is a computer program product claim depending from a system claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-14 and 17-19 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1,7 and 12 recite the limitations "electronic-based trading" and "product." Currently the claimed invention is not specific to securities trading and the trading of financial products (e.g., securities). Presently the claimed invention could be electronic trading, electronic auctions, e-shopping and similar electronic markets. Furthermore, the products traded could be any products or services.

Claims 1,2,6,7,8,11,12,13,14 recite the limitation "qualified." The meaning intended by Applicant is unclear. For purposes of claim interpretation, qualify/qualified is interpreted as having met the requirements or eligible. See MPEP § 2111.

Claims 1, 2,6,7,8,11,13,14 recite the limitations "the best bid or best offer price" or "the best bid or best offer." There is insufficient antecedent basis for these limitations in the claims.

Claims 1,2,6,7,8,11,13,14 recite the limitations "best bid or best offer price" or "best bid or best offer." The meaning intended by Applicant for the terms are unclear. For purposes of claim interpretation, best bid or best offer is interpreted as the most suitable, useful or desirable bid or offer. See MPEP § 2111.

Claims 1,2,3,6,7,8,11,12,13,14 recite the limitation "priority." The meaning intended by Applicant for the term is unclear. For purposes of claim interpretation, priority/prioritize is interpreted as- to arrange or deal with in order of importance. See MPEP § 2111.

Claim 2 recites the limitation "the customer order." There is insufficient antecedent basis for this limitation in the claim.

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With respect to the "priority" and the "best bid or best offer", the following in particular is unclear:

Claim 2 recites "matching-off the order without regard to a priority of other quotes in the system". Since claim 3 depends from claim 2, doesn't "without regard to priority" already encompass "without regard to time priority."?

Regarding the "best bid or best offer that is at the opposite side of the market" in claims 2 and 13, is that the same as the best bid or best offer price on the opposite side of the market since other grounds for giving other quotes "priority" (e.g., time) are not considered?

Regarding the "best bid or best offer" in claim 8, is this best bid or best offer a function of price and time on the opposite side of the market since other grounds for giving other quotes "priority" are not considered?

Claims 2,8 and 13 recite the limitation "wherein if a market participant has not qualified the order for avoidance of an internalization execution, the method further comprises:". There is insufficient antecedent basis for this limitation in the claim. In other words, orders that are not qualified have not been previously discussed.

Claims 1,7 and 12 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential elements or omitting essential steps, such omission amounting to a gap between the elements or the steps. See MPEP § 2172.01. The omitted steps are:

A best bid or best offer is achieved after performing a step of prioritizing or ranking based on some condition or conditions (e.g., price). This step is missing from the claimed invention.

How the pool of bids or offers (i.e., serving as the basis for determining the best bid or best offer price) entered the system is unclear. Are they bids or offers obtained from other systems? Are they bids or offers entered in the claimed system. Is the pool national, system specific?

Applicant is using conditional language but, has not accounted for what happens for all conditions.

How are the orders satisfied? Would the order be satisfied in the same way if the order is qualified and if the order is not qualified? If not, what is the difference? How are the orders matched? Would the order be matched in the same way if the order is qualified and if the order is not qualified? If not, what is the difference? What is the difference between "satisfying" in claim 1 and "matching" in claims 7 and 12.

Dependent claims 2-6, 8-11 and 13-14 are rejected based on the same rationale as the claims from which they depend.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir.

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1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1-14 and 17-18 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1,3-14 and 16-20 of copending Application No. 09/404,518. Although the conflicting claims are not identical, they are not patentably distinct from each other because both applications are drawn to:

Executing an order in a market system comprising:

receiving an order from a market participant; and

matching-off off the order against the best bid or best offer that is at the opposite side of the market.

Please see the following claim comparison for further guidance.

Application # 10/040,912	Application # 09/404,518
1,2	1
3	3
4,9	4
5	5

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2,6,8,11,13,14,17,18	6
1,7,12,19	9
7,8	11
2,6,8,11,13,14,17,18	12
4,9	13
2,6,8,11,13,14	14
4,9	16
2,6,8,11,13,14,17,18	17
7,8	18
4,9	19
2,6,8,11,13,14,17,18	20

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-3, 6-8, 11-14 and 17-19 are rejected under 35 U.S.C. 102(b) as being anticipated by "Market Fragmentation," by Hans R. Stoll. Financial Markets Research

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Center. Policy Paper No. 00-11. Vanderbilt University. April 28, 2000. Current Version: September 5, 2000. (Hereinafter, Stoll).

Re Claims 1-6 and 17: Stoll discloses a computer implemented method of processing an order in a electronic-based trading system, the method comprising:

receiving an order to buy or sell a product, the order having a market participant identification for the order (Stoll, pgs. 1-13, particularly pgs. 4-11);

checking the order in a computer to determine if a market participant has qualified the order for avoidance of an internalization execution for the order in the electronic-based trading system, where internalization execution corresponds to execution of an order if the market participant identification associated with the order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system regardless of the priority of that quote in the system (Stoll, pgs. 1-13, particularly pgs. 4-11);

and satisfying the order according to whether or not the market participant has qualified the order for avoidance of internalization execution (Stoll, pgs. 1-13, particularly pgs. 4-11).

Re Claims 7-11 and 18: Stoll discloses a networked computer system for providing an electronic-based market system comprises:

one or more networked computers to receive orders and match orders against quotes posted in the system on a time priority basis (Stoll, pgs. 1-13, particularly pgs. 4-11);

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checks if a market participant identification associated with a received order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system (Stoll, pgs. 1-13, particularly pgs. 4-11); and checks if the market participant has qualified the order for avoidance of the internalization execution for the order in the market system where internalization execution corresponds to execution of an order where the market participant identification associated with the order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system regardless of the priority of that quote in the system (Stoll, pgs. 1-13, particularly pgs. 4-11); and match the order with quotes in the system according to whether the order is qualified for avoidance of the internalization execution (Stoll, pgs. 1-13, particularly pgs. 4-11).

Re Claims 12-14 and 19: Stoll discloses a computer program product residing on a computer readable medium for operating an electronic based trading system comprises instructions for causing a computer to:

receive a customer order from a market participant's customer; and for the order (Stoll, pgs. 1-13, particularly pgs. 4-11),

check if a market participant has qualified the order for avoidance of an internalization execution in the electronic based trading system where internalization execution corresponds to execution of an order if the market participant identification representing

a quote in the system that is at the best bid or best offer price in the system regardless of the priority of that quote in the system (Stoll, pgs. 1-13, particularly pgs. 4-11); match the order according to whether or not the market participant has qualified the order for avoidance of internalization execution (Stoll, pgs. 1-13, particularly pgs. 4-11).

Claims 1-14 and 17-19 are rejected under 35 U.S.C. 102(e) as being anticipated by Serkin, US Pub. No. 2002/0161687.

The applied reference has a common assignee and a common inventor with the instant application. Based upon the earlier effective U.S. filing date of the reference, it constitutes prior art under 35 U.S.C. 102(e). This rejection under 35 U.S.C. 102(e) might be overcome either by a showing under 37 CFR 1.132 that any invention disclosed but not claimed in the reference was derived from the inventor of this application and is thus not the invention "by another," or by an appropriate showing under 37 CFR 1.131.

Re Claims 1-6 and 17: Serkin discloses a computer implemented method of processing an order in a electronic-based trading system, the method comprising: receiving an order to buy or sell a product, the order having a market participant identification for the order (Serkin, Figs. 1-9; abstract; [0001] – [0090]); checking the order in a computer to determine if a market participant has qualified the order for avoidance of an internalization execution for the order in the electronic-based trading system, where internalization execution corresponds to execution of an order if the market participant identification associated with the order matches a market participant identification representing a quote in the system that is at the best bid or best

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offer price in the system regardless of the priority of that quote in the system (Serkin, Figs. 1-9; abstract; [0001] – [0090]);

and satisfying the order according to whether or not the market participant has qualified the order for avoidance of internalization execution (Serkin, Figs. 1-9; abstract; [0001] – [0090]).

Re Claims 7-11 and 18: Serkin discloses a networked computer system for providing an electronic-based market system comprises:

one or more networked computers to receive orders and match orders against quotes posted in the system on a time priority basis (Serkin, Figs. 1-9; abstract; [0001] – [0090]);

checks if a market participant identification associated with a received order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system (Serkin, Figs. 1-9; abstract; [0001] – [0090]); and

checks if the market participant has qualified the order for avoidance of the internalization execution for the order in the market system where internalization execution corresponds to execution of an order where the market participant identification associated with the order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system regardless of the priority of that quote in the system (Serkin, Figs. 1-9; abstract; [0001] – [0090]); and

match the order with quotes in the system according to whether the order is qualified for avoidance of the internalization execution (Serkin, Figs. 1-9; abstract; [0001] – [0090]).

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Re Claims 12-14 and 19: Serkin discloses a computer program product residing on a computer readable medium for operating an electronic based trading system comprises instructions for causing a computer to:

receive a customer order from a market participant's customer; and for the order

(Serkin, Figs. 1-9; abstract; [0001] – [0090]),

check if a market participant has qualified the order for avoidance of an internalization

execution in the electronic based trading system where internalization execution

corresponds to execution of an order if the market participant identification representing

a quote in the system that is at the best bid or best offer price in the system regardless

of the priority of that quote in the system (Serkin, Figs. 1-9; abstract; [0001] – [0090]);

match the order according to whether or not the market participant has qualified the

order for avoidance of internalization execution (Serkin, Figs. 1-9; abstract; [0001] –

[0090]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.

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2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 4,5,9 and 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stoll as applied to claim above, and further in view of Gary, US Pat. No. 6,618,707.

Re Claims 4 and 9: Stoll discloses the claimed invention supra but fails to explicitly disclose calling a cancel request to cancel a quote at the side of the market in which a matched off order will be executed. Gary discloses calling a cancel request to cancel a quote at the side of the market in which a matched off order will be executed (Gary, col. 10, lines 40-58). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Stoll by adopting the teachings of Gary to provide calling a cancel request to cancel a quote at the side of the market in which a matched off order will be executed. One would have been motivated to have some control over the price at which the trade can be executed.

Re Claims 5 and 10: Stoll discloses the claimed invention supra but fails to explicitly disclose calling a cancel request prior to matching off the order to cancel a quote at the side of the market at which an matched off order will be executed. Gary discloses calling a cancel request prior to matching off the order to cancel a quote at the side of the market at which an matched off order will be executed (Gary, col. 10, lines 40-58). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Stoll by adopting the teachings of Gary to provide calling a cancel request prior to matching off the order to cancel a quote at the side of

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the market at which an matched off order will be executed. One would have been motivated to have some control over the price at which the trade can be executed.

Response to Arguments

101

Applicant's argument's have been fully considered. The rejection has been withdrawn.

112

Applicant's arguments have been fully considered but they are not persuasive..

Electronic-based trading system

product

Currently the claimed invention is not specific to securities trading and the trading of financial products (e.g., securities).

Since limitations from the specification are not read into the claims, the claimed invention is much broader than securities trading and is interpreted as such. Presently the claimed invention could be electronic trading, electronic auctions, e-shopping and similar electronic markets. Furthermore, the products traded could be any products or services.

These limitations should be in the independent claims.

The best bid or best offer

One of ordinary skill in the art would not know what the meaning of the best bid or the best offer is. This is particularly true given the breadth of the claim.

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A best bid or best offer is achieved after performing a step of prioritizing or ranking based on some condition or conditions (e.g., price). This step is missing from the claimed invention.

In the case of price for example, which bid or offer is the best will often be the prioritized or ranked according to which has the highest price or the lowest price. Having the highest price or lowest price for a bid or offer as the best is not always the case however. Depending on the context other conditions (e.g., difficulty of delivery, preferred participants, size etc.) may apply that can eliminate the highest price or lowest price as the best bid or best offer.

There is also a clear antecedent basis problem because there is a reference to "the best bid or best offer price."

It is also unclear whether one is saying the best bid or best offer from the perspective of the same side or opposite side of the market.

How the pool of bids or offers (i.e., serving as the basis for determining the best bid or best offer price) entered the system is unclear. Are they bids or offers obtained from other systems? Are they bids or offers entered in the claimed system. Is the pool national, system specific?

Identifying the best bid or best offer requires presumption that any bids or offers have even been received. This is not a requirement of the claimed invention.

These limitations should be in the independent claims.

The priority

There is a clear antecedent basis problem because there is a reference to "the priority."

Applicant argues, that the specification identifies a various ways of prioritizing (e.g., based on price, time, size). Applicant, is reminded however that limitations from the specification are not read into the claims. Applicant may always amend the claims the clearly articulate the specific mode of prioritization afforded different implementations.

One of ordinary skill in the art would not know what the meaning of the priority is. This is particularly true given the breadth of the claim. The claimed invention has clearly deviated from what would be a recognized meaning of priority (e.g., priority based on price) for one of ordinary skill in the art. This is true because the claimed invention recites "the best bid or best offer price in the system regardless of the priority." If the intent is to say regardless of all possible grounds of assigning priority, the claim would be contradictory because price would also be excluded in determining priority. In other words, to make sense the claim must essentially say prioritize based on price regardless of another basis for which priority could be assigned. What applicant intends for the basis include or exclude is unclear.

These limitations should be in the independent claims.

Satisfying/matching the order

The claimed invention recites satisfying the order but, it fails to articulate how this done. It is basically a conclusory statement. How are the orders satisfied? Would the

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order be satisfied in the same way if the order is qualified and if the order is not qualified? If not, what is the difference?

Similar to "satisfying", "matching" is also unclear. How are the orders matched? Would the order be matched in the same way if the order is qualified and if the order is not qualified? If not, what is the difference?

What is the difference between "satisfying" in claim 1 and "matching" in claims 7 and 12.

These limitations should be in the independent claims.

Conditional language

Qualified, not qualified

How is it that the market participants that have and have not qualified orders are both capable of being matched off at the best bid or offer?

Is it that the first one considers the market participants that have not qualified the order. In this situation, the market participants get the best bid or best offer as prioritized by price (i.e., the best bid price or best offer price). Second, one considers the market participants that have qualified the order. In this situation, the market participants get the best bid or best offer as prioritized in some other manner (e.g. as specified in the order). In other words, has the best bid price or best offer price has already been taken. If this is the case shouldn't these features from claims 2 and 6 be in claim 1. The limitations of 8 and 11 in claim 7. The limitations of 13 and 14 in claim 1.

Also, as it pertains to the conditional language, the "or" also signifies that only one condition is required for the claim. Applicant should have language incorporated within the claims which says that a plurality of orders are processed at least one of which is qualified and at least one of which is unqualified.

Double Patenting and 102- Serkin

Applicant's arguments have been fully considered but they are not persuasive.. Serkin discloses the claimed invention: receiving an order to buy or sell a product, the order having a market participant identification for the order. (e.g., Serkin, abstract, [0023]) checking the order in a computer to determine if a market participant has qualified the order for avoidance of an internalization execution for the order in the electronic-based trading system, where internalization execution corresponds to execution of an order if the market participant identification associated with the order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system regardless of the priority of that quote in the system (e.g., Serkin, abstract, [0003] [0006] [0020] [0038] Serkin discloses the collection of pretrade information related to quotes and orders. Serkin also discloses the use of internalization execution. Inherent, to the process is the need to check if internalization execution is to be avoided. In other words, the internalization could not occur if it is barred.)

and satisfying (or matching) the order according to whether or not the market participant has qualified the order for avoidance of internalization execution (e.g., Serkin, [0037] avoiding- cannot execute order, not avoiding- order is executed).

102- Sliverman

Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The following references relate to internalization, preferencing:

("20010042040"|"20010044770"|"20010051909"|"20020091617"|"6532460"|"6618707"|"6829589"|"6882985"|"7035819").PN.

"Price-Time Priority, Order Routing, and Trade Execution Costs in NYSE-listed Stocks," by Hendrik Bessembinder. Goizueta Business School, Emory University.
Initial Draft: November 2000.

"The Legal Basis for Stock Exchanges: The Classification and Regulation of Automated Trading Systems, by Ian Domowitz. Department of Finance-Smeal College of Business Administration, Pennsylvania State University. March, 1998.

"The Allocation of Investors' Orders and Inefficient Market Competition: A Proposal," by Allen Ferrell. Discussion Paper No. 281. The Center for Law, Economics, and Business. Harvard Law School. April, 2000.

"Competition and Collusion in Dealer Markets," by Prajit K. Dutta; Ananth Madhavan. The Journal of Finance, Vol. 52, No. 1. (Mar., 1997), pp. 245-276).

"A Proposal for Solving the 'Payment for Order Flow' Problem," by Allen Ferrell.
Published in 74 S.Cal.L.Rev. 1027 (2001).

"The Law and Economics of Best Execution," by Jonathan R. Macey and
Maureen O'Hara. Cornell University, Ithaca, New York 14853. Received October 7,
1996.

"What glory price?," by Erik R. Sirri. Babson College. Federal Reserve Bank of
Atlanta- 2000 Financial Conference on e-Finance. Sea Island, Georgia. October 15-
17, 2000.

"Payment for Order Flow, Trading Costs, and Dealer Revenue for Market Orders
at Knight Securities, L.P.," by Robert Battalio et.al. First Draft: May 1998. Current
Draft: December 1998.

"The Internet and the Future of Financial Markets," by Ming Fan et.al.
Communications of the ACM. Vol. 43, No. 11. November 2000.

Applicant's amendment necessitated the new ground(s) of rejection presented in
this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP
§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37
CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE
MONTHS** from the mailing date of this action. In the event a first reply is filed within
TWO MONTHS of the mailing date of this final action and the advisory action is not
mailed until after the end of the **THREE-MONTH** shortened statutory period, then the
shortened statutory period will expire on the date the advisory action is mailed, and any

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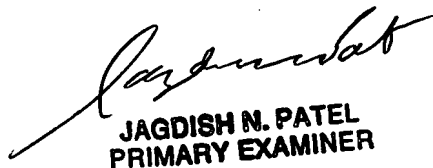
extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sara Chandler whose telephone number is 571-272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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PRIMARY EXAMINER

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